

**Report of the Directors and
Financial Statements for the Year Ended 31st March 2002
for
Business Link Shropshire Limited
(Company Limited by Guarantee)**



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**Business Link Shropshire Limited
(Company Limited by Guarantee)**

**Contents of the Financial Statements
for the Year Ended 31st March 2002**

| | Page |
|---|-------------|
| Company Information | 1 |
| Report of the Directors | 2 |
| Report of the Independent Auditors | 4 |
| Profit and Loss Account | 5 |
| Balance Sheet | 6 |
| Notes to the Financial Statements | 7 |

Business Link Shropshire Limited
(Company Limited by Guarantee)

Company Information
for the Year Ended 31st March 2002

DIRECTORS:

J A Clayton
J Roberts
Dr J R Hargreaves
M J Lowe
S L Holmes
M Brown
A J Dixon
J F M Dutton
C Evans
K Foster
S Latter
E McLeod
A J A Thomas
A Thorn
Councillor J S Uppal
D Boynton

SECRETARY:

I Davies

REGISTERED OFFICE:

Trevithick House
Stafford Park 4
Telford
TF3 3BA

REGISTERED NUMBER:

2889740 (England and Wales)

AUDITORS:

Moore Stephens
Chartered Accountants
Registered Auditors
Chapter House South
Abbey Lawn, Abbey Foregate
Shrewsbury
Shropshire SY2 5DE

**Business Link Shropshire Limited
(Company Limited by Guarantee)**

**Report of the Directors
for the Year Ended 31st March 2002**

The directors present their report with the financial statements of the company for the year ended 31st March 2002.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of business support services to local companies.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

FIXED ASSETS

Changes in fixed assets are shown in note 5.

DIRECTORS

The directors during the year under review were:

J A Clayton
J Roberts
Dr J R Hargreaves
M J Lowe
S L Holmes
M Brown
A J Dixon
J F M Dutton
C Evans
K Foster
S Latter
E McLeod
A J A Thomas
A Thorn
Councillor J S Uppal
D Boynton

CORPORATE GOVERNANCE

Due to the size and nature of the company, there are no requirements for it to comply with the Code of Best Practice on the Financial Aspects of Corporate Governance, issued by the Cadbury Committee.

DISABLED PERSONS

In its staff practices, the company gives full and fair consideration to people with disabilities, having due regard to their aptitudes and abilities, and training is arranged as necessary.

Where an employee becomes disabled, arrangements are made for any training that may be necessary for their continued employment.

**Business Link Shropshire Limited
(Company Limited by Guarantee)**

**Report of the Directors
for the Year Ended 31st March 2002**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

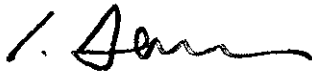
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Moore Stephens, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



.....
I Davies - SECRETARY

Dated: 6th January 2003

**Business Link Shropshire Limited
(Company Limited by Guarantee)**

**Report of the Independent Auditors to the Members of
Business Link Shropshire Limited**

We have audited the financial statements of Business Link Shropshire Limited for the year ended 31st March 2002 on pages five to eleven. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Moore Stephens

Moore Stephens
Chartered Accountants
Registered Auditors
Chapter House South
Abbey Lawn, Abbey Foregate
Shrewsbury
Shropshire SY2 5DE

Dated: *6th January 2003*

Business Link Shropshire Limited
(Company Limited by Guarantee)

Profit and Loss Account
for the Year Ended 31st March 2002

| | | <u>2002</u> | <u>2001</u> |
|--|-------|-----------------------|------------------------|
| | Notes | £ | £ |
| TURNOVER | | 8,486,896 | 1,738,475 |
| Cost of sales | | <u>7,681,000</u> | <u>1,255,970</u> |
| GROSS PROFIT | | 805,896 | 482,505 |
| Administrative expenses | | <u>853,097</u> | <u>460,492</u> |
| | | (47,201) | 22,013 |
| Other operating income | | <u>120,433</u> | <u>106,000</u> |
| OPERATING PROFIT | 3 | 73,232 | 128,013 |
| Interest receivable and similar income | | <u>21,462</u> | <u>35,490</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 94,694 | 163,503 |
| Tax on profit on ordinary activities | 4 | <u>33,987</u> | <u>25,776</u> |
| PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION | | <u>60,707</u> | <u>137,727</u> |
| RETAINED PROFIT FOR THE YEAR | | <u><u>£60,707</u></u> | <u><u>£137,727</u></u> |

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

Business Link Shropshire Limited
(Company Limited by Guarantee)

Balance Sheet
31st March 2002

| | | <u>2002</u> | | <u>2001</u> | |
|---|-------|------------------|-----------------|----------------|-----------------|
| | Notes | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 5 | | 155,265 | | 54,715 |
| CURRENT ASSETS | | | | | |
| Debtors | 6 | 1,081,509 | | 253,352 | |
| Cash at bank | | <u>1,610,978</u> | | <u>951,472</u> | |
| | | 2,692,487 | | 1,204,824 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 7 | <u>2,067,419</u> | | <u>608,138</u> | |
| NET CURRENT ASSETS | | | <u>625,068</u> | | <u>596,686</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 780,333 | | 651,401 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 8 | | (128,141) | | (78,402) |
| PROVISIONS FOR LIABILITIES AND CHARGES | 9 | | <u>(18,486)</u> | | <u>-</u> |
| | | | <u>£633,706</u> | | <u>£572,999</u> |
| RESERVES | | | | | |
| Profit and loss account | 10 | | <u>633,706</u> | | <u>572,999</u> |
| | 13 | | <u>£633,706</u> | | <u>£572,999</u> |

ON BEHALF OF THE BOARD:

S. L. Holmes
S L Holmes - DIRECTOR

Approved by the Board on 6th January 2003

The notes form part of these financial statements

Business Link Shropshire Limited
(Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31st March 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|------------------------|---------------|
| Leasehold improvements | - 20% on cost |
| Office equipment | - 20% on cost |
| Fixtures and fittings | - 20% on cost |
| Computer equipment | - 33% on cost |

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pensions

The company is a member of Shropshire Chamber of Commerce and Enterprise Group Personal Pension Plan, which is a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged to the profit and loss account.

Government grants

Government grants on capital expenditure are credited to a deferral account and are released to revenue over the expected useful life of the relevant asset by equal annual instalments. Grants of a revenue nature are credited to income in the period to which they relate.

Operating leases

Leasing costs are expensed to the profit and loss account as incurred.

2. STAFF COSTS

| | 2002 | 2001 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 684,504 | 358,371 |
| Social security costs | 58,241 | 25,817 |
| Other pension costs | <u>35,235</u> | <u>21,341</u> |
| | <u>777,980</u> | <u>405,529</u> |

The average monthly number of employees during the year was as follows:

| | 2002 | 2001 |
|----------------|-----------|-----------|
| Administration | <u>32</u> | <u>22</u> |

Business Link Shropshire Limited
(Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31st March 2002

3. OPERATING PROFIT

The operating profit is stated after charging:

| | 2002 £ | 2001 £ |
|-----------------------------|---------------|--------------|
| Depreciation - owned assets | 31,911 | 22,530 |
| Auditors remuneration | <u>3,000</u> | <u>3,000</u> |
| Directors' emoluments | <u>39,142</u> | <u>-</u> |

4. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

| | 2002 £ | 2001 £ |
|--------------------------------------|---------------|---------------|
| Current tax: | | |
| UK corporation tax | 15,501 | 25,776 |
| Deferred tax: | | |
| Deferred taxation | <u>18,486</u> | <u>-</u> |
| Tax on profit on ordinary activities | <u>33,987</u> | <u>25,776</u> |

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

| | 2002 £ | 2001 £ |
|--|---------------|----------------|
| Profit on ordinary activities before tax | <u>94,694</u> | <u>163,503</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2001 - 20%) | 18,939 | 32,701 |
| Effects of: | | |
| Accelerated capital allowances | (4,380) | (6,925) |
| Permanently disallowed expenditure | 1,022 | - |
| Fixed asset disposals | <u>(80)</u> | <u>-</u> |
| Current tax charge | <u>15,501</u> | <u>25,776</u> |

Business Link Shropshire Limited
(Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31st March 2002

5. TANGIBLE FIXED ASSETS

| | Leasehold improvements £ | Office equipment £ | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|------------------------|--------------------------------|--------------------------|----------------------------------|----------------------------|----------------|
| COST: | | | | | |
| At 1st April 2001 | - | 47,649 | 31,364 | 302,560 | 381,573 |
| Additions | <u>62,199</u> | <u>-</u> | <u>-</u> | <u>70,262</u> | <u>132,461</u> |
| At 31st March 2002 | <u>62,199</u> | <u>47,649</u> | <u>31,364</u> | <u>372,822</u> | <u>514,034</u> |
| DEPRECIATION: | | | | | |
| At 1st April 2001 | - | 39,840 | 31,281 | 255,737 | 326,858 |
| Charge for year | <u>6,000</u> | <u>5,633</u> | <u>(2,096)</u> | <u>22,374</u> | <u>31,911</u> |
| At 31st March 2002 | <u>6,000</u> | <u>45,473</u> | <u>29,185</u> | <u>278,111</u> | <u>358,769</u> |
| NET BOOK VALUE: | | | | | |
| At 31st March 2002 | <u>56,199</u> | <u>2,176</u> | <u>2,179</u> | <u>94,711</u> | <u>155,265</u> |
| At 31st March 2001 | <u>-</u> | <u>7,809</u> | <u>83</u> | <u>46,823</u> | <u>54,715</u> |

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2002 £ | 2001 £ |
|----------------|------------------|----------------|
| Trade debtors | 675,191 | 193,100 |
| Other debtors | 88,616 | 10,950 |
| Prepayments | 24,791 | 6,257 |
| Accrued income | <u>292,911</u> | <u>43,045</u> |
| | <u>1,081,509</u> | <u>253,352</u> |

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2002 £ | 2001 £ |
|------------------------------------|------------------|----------------|
| Trade creditors | 294,711 | 86,540 |
| Amounts owed to group undertakings | 245,639 | 119,827 |
| Corporation taxation | 15,509 | 25,776 |
| Social security and other taxes | 21,317 | 61,523 |
| Other creditors | 62,286 | 23,000 |
| Deferred income | 1,086,812 | 161,395 |
| Accruals | <u>341,145</u> | <u>130,077</u> |
| | <u>2,067,419</u> | <u>608,138</u> |

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2002 £ | 2001 £ |
|-----------------|----------------|---------------|
| Deferred income | <u>128,141</u> | <u>78,402</u> |

Business Link Shropshire Limited
(Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31st March 2002

9. PROVISION FOR LIABILITIES AND CHARGES

| | 2002 | 2001 |
|--------------|---------------|----------|
| | £ | £ |
| Deferred tax | <u>18,486</u> | <u>-</u> |

| | |
|--------------------------------|----------------------|
| | Deferred tax £ |
| Accelerated capital allowances | <u>18,486</u> |
| Balance at 31st March 2002 | <u>18,486</u> |

| | | |
|------------------------|---------------|----------|
| Deferred tax provision | 2002 | 2001 |
| | £ | £ |
| Deferred taxation | <u>18,486</u> | <u>-</u> |
| | <u>18,486</u> | <u>-</u> |

10. RESERVES

| | |
|------------------------------|------------------------------------|
| | Profit and loss account £ |
| At 1st April 2001 | 572,999 |
| Retained profit for the year | <u>60,707</u> |
| At 31st March 2002 | <u>633,706</u> |

11. ULTIMATE PARENT COMPANY

In the opinion of the directors, Business Link Shropshire Limited is a wholly owned subsidiary of Shropshire Chamber of Commerce and Enterprise Limited, its ultimate holding company. During the year the company received funding from Shropshire Chamber of Commerce and Enterprise Limited amounting to £85,368 (2001: £1,382,430). In addition, Shropshire Chamber of Commerce and Enterprise Limited provided services to Business Link Shropshire Limited amounting to £664,452 (2001: £462,597).

12. CAPITAL COMMITMENTS

| | 2002 | 2001 |
|---|----------|----------|
| | £ | £ |
| Contracted but not provided for in the financial statements | <u>-</u> | <u>-</u> |

Business Link Shropshire Limited
(Company Limited by Guarantee)

Notes to the Financial Statements
for the Year Ended 31st March 2002

13. **RECONCILIATION OF MOVEMENTS IN RESERVES**

| | 2002 | 2001 |
|---------------------------------|----------------|----------------|
| | £ | £ |
| Profit for the financial year | <u>60,707</u> | <u>137,727</u> |
| Net addition to reserves | 60,707 | 137,727 |
| Opening reserves | <u>572,999</u> | <u>435,272</u> |
| Closing reserves | <u>633,706</u> | <u>572,999</u> |